



File No. 15-023

APPRAISAL OF



Single Family Residential

LOCATED AT:

811 65th St
West Des Moines, IA 50266

FOR:

Great Western Bank
200 E 10th Street Suite
Sioux Falls, SD 57104

BORROWER:

Gary & Gail Koerner

AS OF:

February 3, 2015

APPRAISED VALUE:

\$600,000

BY:

Kyle Hout
First Choice Appraisers, LLC

Uniform Residential Appraisal Report

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The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address **811 65th St** City **West Des Moines** State **IA** Zip Code **50266**
 Borrower **Gary & Gail Koerner** Owner of Public Record **Gary & Gail Koerner** County **Dallas**
 Legal Description **ENCLAVE OF ASHWORTH PLAT 1 LOT 16** Tax Year **2013** R.E. Taxes \$ **14**
 Assessor's Parcel # **16-12-204-009** Map Reference **19780** Census Tract **0508.11**
 Neighborhood Name **West Des Moines** Special Assessments \$ **0.00** ☐ PUD HOA \$ **0.00** ☐ per year ☐ per month
 Occupant ☒ Owner ☐ Tenant ☐ Vacant
 Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)
 Assignment Type ☐ Purchase Transaction ☒ Refinance Transaction ☐ Other (describe)
 Lender/Client **Great Western Bank** Address **200 E 10th Street Suite, Sioux Falls, SD 57104**
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☐ Yes ☒ No
 Report data source(s) used, offering price(s), and date(s). **DMAAR - Des Moines Area Association Of Realtors.**
 I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
 Contract Price \$ _____ Date of Contract _____ Is the property seller the owner of public record? ☐ Yes ☐ No Data Source(s) _____
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No
 If Yes, report the total dollar amount and describe the items to be paid. _____
 Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80 %		
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	1 %		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	90 Low	0	Multi-Family	1 %		
Neighborhood Boundaries Neighborhood boundaries are I-80 to the north; 60th Street to the east;		900 High	25	Commercial	5 %		
West Des Moines city limits to the west, E.P. True Pkwy to the south		350 Pred.	10	Other Vacant	13 %		

 Neighborhood Description **See Attached Addendum**
 Market Conditions (including support for the above conclusions) **See Attached Addendum**
 Dimensions **N/A** Area **14689 sf** Shape **Mostly Rectangular** View **N;Res;**
 Specific Zoning Classification **R-1** Zoning Description **Single-Family Residential District.**
 Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe. **See Attached**
 Addendum
 Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private
 Electricity ☒ ☐ Water ☒ ☐ Street **Concrete** ☒ ☐
 Gas ☒ ☐ Sanitary Sewer ☒ ☐ Alley ☐ ☐
 FEMA Special Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone **X** FEMA Map # **19121C0100C** FEMA Map Date **10/06/2010**
 Are the utilities and off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe.
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe. **No apparent adverse easements, encroachments or environmental hazards noted at time of inspection. However the appraiser does not have access to plat maps which indicate easements, therefore the abstract (not the appraiser) should be relied upon for easements. No functional or external inadequacies noted at the time of the site visit.**

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Prd Concrete/Gd	Floors	Crpt, HdWd/Gd		
# of Stories 2	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	HrdBrd/Gd	Walls	Drywall/Gd		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 2115 sq. ft.	Roof Surface	Asphalt/Gd	Trim/Finish	Wood/Gd		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 76 %	Gutters & Downspouts	Aluminum/Gd	Bath Floor	Tile/Gd		
Design (Style) Traditional	<input checked="" type="checkbox"/> Outside Entry/Exit <input checked="" type="checkbox"/> Sump Pump	Window Type	Casement/Gd	Bath Wainscot	Tile/Gd		
Year Built 2013	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Insulated/Gd	Car Storage	<input type="checkbox"/> None		
Effective Age (Yrs) 1	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Gd	<input checked="" type="checkbox"/> Driveway # of Cars 3			
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) # 0	Driveway Surface Concrete/			
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Nat Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> Fence None	<input checked="" type="checkbox"/> Garage # of Cars 3			
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck C/W	<input checked="" type="checkbox"/> Porch CvrdFmnt	Carport # of Cars 0			
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None	<input type="checkbox"/> Other None	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in			

 Appliances ☐ Refrigerator ☒ Range/Oven ☒ Dishwasher ☒ Disposal ☒ Microwave ☐ Washer/Dryer ☐ Other (describe)
 Finished area above grade contains: **7 Rooms** **4 Bedrooms** **3.1 Bath(s)** **3,268 Square Feet of Gross Living Area Above Grade**
 Additional features (special energy efficient items, etc.) **See Attached Addendum**
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). **C2: No updates in the prior 15 years; The subject is in like new condition.**
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe.
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe.

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There are 12 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 514,900 to \$ 699,900	
There are 14 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 500,000 to \$ 605,000	
FEATURE	SUBJECT
811 65th St	6850 Reed Lane
Address West Des Moines, IA 50266	West Des Moines, IA 50266
Proximity to Subject	0.34 miles SW
Sale Price	\$ 605,000
Sale Price/Gross Liv. Area	\$ 206.91 sq. ft.
Data Source(s)	DMAAR #438242;DOM 100
Verification Source(s)	Dallas County, DMAAR
VALUE ADJUSTMENTS	DESCRIPTION
Sale or Financing	ArmLth
Concessions	Conv;0
Date of Sale/Time	s11/14;c09/14
Location	N;Res;CDS
Leasehold/Fee Simple	Fee Simple
Site	14689 sf
View	N;Res;
Design (Style)	DT1.5;Traditional
Quality of Construction	Q3
Actual Age	2
Condition	C2
Above Grade	Total Bdrms. Baths
Room Count	7 4 3.1
Gross Living Area 60	3,268 sq. ft.
Basement & Finished	2115sf1607sfwo
Rooms Below Grade	1r2br1.0ba1o
Functional Utility	Typical
Heating/Cooling	FWA/CA
Energy Efficient Items	Insulat / Eqpmnt
Garage/Carport	3ga3dw
Porch/Patio/Deck	Pat,CvDk,CvFrPr
Fireplaces	1 Fireplace
Net Adjustment (Total)	(X) + - \$ 23,100
Adjusted Sale Price of Comparables	Net Adj. 3.8% Gross Adj. 4.6% \$ 628,100
I (X) did not did not research the sale or transfer history of the subject property and comparable sales. If not, explain	
My research (X) did not did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data source(s) Public Records, MLS.	
My research (X) did not did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.	
Data source(s) Public Records, MLS.	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	11/29/2012
Price of Prior Sale/Transfer	\$100,000
Data Source(s)	Public Records
Effective Date of Data Source(s)	02/03/2015
Analysis of prior sale or transfer history of the subject property and comparable sales Last recorded date of transfer for subject report was 11/29/2012 with a sales price of \$100,000; and no other prior sales in the past 36 months. Appraisal prepared to estimate value for mortgage loan/refinance purposes; appraisal does not warrant property, condition or contents.	
Summary of Sales Comparison Approach. Very limited sales due to being in a new subdivision with minimal turnover. Sales were adjusted for GLA, basement finish, garage count, etc. All sales used considered good indicators of value; most weight given to sales 1-3 due to being in close proximity with sale 4 only being used to bracket the subject GLA but offers support. Sales may exceed a 1 mile radius or 6 month time frame but considered relevant due to minimal sales which made it necessary.	
Indicated Value by Sales Comparison Approach \$ 600,000	
Indicated Value by: Sales Comparison Approach \$ 600,000 Cost Approach (if developed) \$ 572,000 Income Approach (if developed) \$ 0	
See Attached Addendum	
This appraisal is made (X) as is, subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 600,000 as of 02/03/2015, which is the date of inspection and the effective date of this appraisal.	

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LEAD-BASED PAINT: If home was built prior to 1978, there is a likelihood that lead-based paint may be present. The appraiser is not an expert in detecting lead-based paint. If there is peeling and/or cracked paint, concerned parties should contact the Iowa Department of Health. **TERMITES/OTHER INFESTATIONS:** Appraisal assumes home to be free of termite infestation; the appraiser is not an expert in regard to termites or other infestations. **MOLD/BLACK MOLD/ETC.:** Appraisal assumes home free of any mold; the appraiser is not an expert in regard to any mold. Any concerns of possible infestation or treatment, a licensed and/or certified expert in that field should be contacted.

Privacy Notice:

Pursuant to the Gramm-Leach-Bliley Act of 1999, effective July 1, 2001, Appraisers, along with all providers of personal financial services are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

The appraiser is exclusively a residential property appraiser and is NOT a home inspector, and this appraisal is NOT a home inspection report. The appraisal should not be relied upon to disclose the condition of the property or the presence/absence of any defects. Seasonal variations may reveal factors not apparent on the particular day of the site visit. The appraiser can not be responsible for site, structural or mechanical issues that arise from seasonal variation after the date of the site visit. Unless noted, it is assumed that the various elements of the subject property are fundamentally sound and functional. The appraiser is not a professional in heating, cooling, plumbing, or electrical and only observes them on a visual basis; concerned parties can contact a professional in this field.

EXPANSION for "scope of work".

The appraiser only performed a visual inspection of the readily accessible areas and that the appraisal cannot be relied upon to disclose conditions and/or defects in the property.

PLEASE NOTE: The appraisal report is prepared for the benefit of the lender, should the lender agree to provide the borrower or third party a copy of the appraisal, it does not mean that the borrower or third party is the intended user.

THE INTENDED USER OF THIS APPRAISAL REPORT IS LENDER/CLIENT. THE INTENDED USE IS TO EVALUATE THE PROPERTY THAT IS THE SUBJECT OF THIS APPRAISAL FOR A MORTGAGE FINANCE TRANSACTION, SUBJECT TO THE STATED SCOPE OF WORK, PURPOSE OF THE APPRAISAL, REPORTING REQUIREMENTS OF THE APPRAISAL REPORT FORM, AND DEFINITION OF MARKET VALUE. NO ADDITIONAL INTENDED USERS ARE IDENTIFIED BY THE APPRAISER

I have performed no (or the specified) other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

According to this report and the data, a reasonable exposure time for the subject would be 0-180 days at the market value of \$600,000.

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The site value estimated through market extraction.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	100,000
Source of cost data <u>Marshall & Swift</u>	Dwelling 3,268 Sq. Ft. @ \$ 90.00	= \$	294,120
Quality rating from cost service <u>Gd</u> Effective date of cost data <u>6/2014</u>	Bsmt: 2115 Sq. Ft. @ \$ 24.00	= \$	50,760
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	<u>Dk, Por, BsFsh, Apl, Pa</u>		95,000
Cost Approach figures were taken from <u>Marshall & Swift</u>	Garage/Carport 868 Sq. Ft. @ \$ 28.00	= \$	24,304
Residential Cost Handbook. See attached sketch addendum for square footage calculations.	Total Estimate of Cost-New	= \$	464,184
	Less 65 Physical Functional External		
	Depreciation \$7,141	= \$ (7,141)
	Depreciated Cost of Improvements	= \$	457,043
	As-is Value of Site Improvements	= \$	15,000
Estimated Remaining Economic Life (HUD and VA only) <u>64</u> Years	INDICATED VALUE BY COST APPROACH	= \$	572,000

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options

Describe common elements and recreational facilities

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

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22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

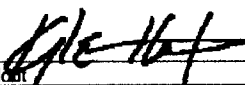
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
 Name Kyle Hout
 Company Name First Choice Appraisers, LLC
 Company Address PO Box 483
Ankeny, IA 50021
 Telephone Number 515/984.6895
 Email Address khout@FCAsite.com
 Date of Signature and Report 02/04/2015
 Effective Date of Appraisal 02/03/2015
 State Certification # CR02369
 or State License # _____
 or Other (describe) _____ State # _____
 State IA
 Expiration Date of Certification or License 06/30/2016

ADDRESS OF PROPERTY APPRAISED

811 65th St
West Des Moines, IA 50266

APPRAISED VALUE OF SUBJECT PROPERTY \$ 600,000

LENDER/CLIENT

Name No AMC
 Company Name Great Western Bank
 Company Address 200 E 10th Street Suite
Sioux Falls, SD 57104
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

File No. 15-023

Fannie Mae Form 1004 March 2005
1004_05UAD 07222014

ADDENDUM

Borrower: Gary & Gail Koerner

File No.: 15-023

Property Address: 811 65th St

Case No.:

City: West Des Moines

State: IA

Zip: 50266

Lender: Great Western Bank

Neighborhood Description

Subject property is located in West Des Moines a popular western suburb of Des Moines. Homes in area vary in age, style & size with larger, more expensive homes located the neighborhood making up the upper ranges of value. Townhome/Condo projects are also located within the neighborhood. Apartment complex located within neighborhood with no adverse effect on value. Small strip mall & commercial properties located on the outskirts of neighborhood, again no adverse. City parks, schools located in close proximity.

Neighborhood Market Conditions

Typical financing for the area is conventional, FHA or VA with seller occasionally paying up to two discount points. The interest rates are ranging from 3% to 6% indicating the future market should remain strong. Typical marketing time for subjects neighborhood is 0 - 6 months which may be exceeded due to start to finish time frames of new construction.

Highest and Best Use

In order to arrive at a conclusion of the subject property's highest and best use, consideration has been given to recent trends in sales of similar property, economic and social factors influencing land use and value in this market, the strength of the local market, and the condition of the local economy. Based on these considerations and the above analysis of the legally permissible, physically possible, and financially feasible, and maximally productive uses of the subject property, it would be the opinion of this appraiser that the highest and best use of the subject site either 'as-if vacant' or 'as-improved' would be as a single family residential site, as currently zoned.

Additional Features

The subject is a 4 bedroom 1.5 story with a 3+ car garage. The main level has a master bedroom with master bath, 1/2 bath, kitchen with dining area, dining room, laundry/mud room, and office area. The upper level has 3 bedrooms and 2 baths. The walk-out basement has 2 additional bedrooms, a family room, rec room with wetbar, office and bath.

Final Reconciliation

Due to age of properties, most consideration was given to the Sales Comparison Analysis. The Cost Approach was used to support value. The Income Approach is not applicable due to insufficient rental data. The cost approach has only been developed by the appraiser as an analysis to support their opinion of the property's market value. Use of this data, in whole or part, for other purposes is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purposes of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for and does not guarantee that any insurable value estimated inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the cost approach may not be a reliable indication of replacement or reproduction cost for any data other than the effective date of this appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

Market Conditions Addendum to the Appraisal Report File No. 15-023

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **811 65th St** City **West Des Moines** State **IA** Zip Code **50266**
 Borrower **Gary & Gail Koerner**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	8	4	2	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.33	1.33	0.67	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Total # of Comparable Active Listings	3	6	10	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab. Rate)	2.26	4.51	14.93	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sales/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	572,500	507,500	600,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	77	17	127	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Comparable List Price	599,900	584,900	594,950	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	74	78	107	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	99.17%	95.48%	96.00%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.) paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).
Typical concessions have been 2-3% and anything beyond that or anything added to the list price are considered excessive.

Are foreclosure sales (REO sales) a factor in the market? ☐ Yes ☒ No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information. **DMAAR - Des Moines Area Association of Realtors**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

Typical financing for the area is conventional with seller occasionally paying up to two discount points. Fixed conventional mortgage rates range from 3% to 6%, indicating future market should remain strong. Typical marketing time is 0-6 months. The market area is seasonal with spring and summer having better marketing times. The winter months have minimal activity.

If the subject is a unit in a condominium or cooperative project, complete the following:

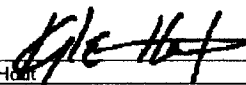
Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

APPRAISER

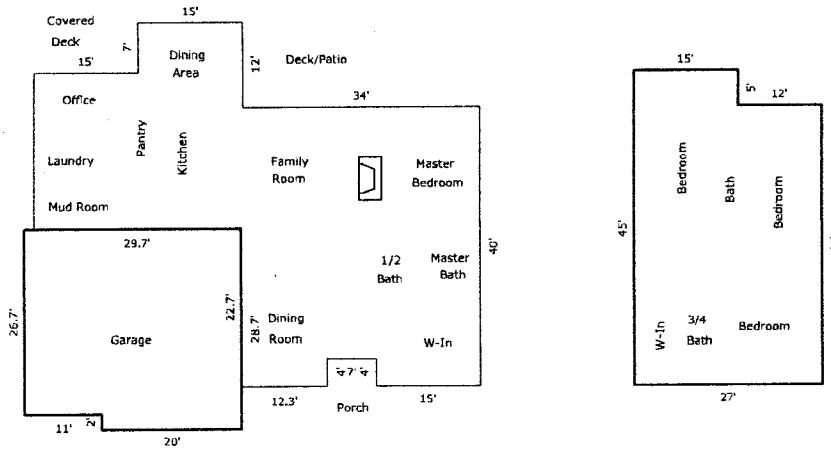
Signature 
 Name **Kyle Hout**
 Company Name **First Choice Appraisers, LLC**
 Company Address **PO Box 483**
Ankeny, IA 50021
 State License/Certification # **CR02369** State **IA**
 Email Address **khout@FCAsite.com**

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 State License/Certification # _____ State _____
 Email Address _____

FLOORPLAN SKETCH

Borrower: Gary & Gail Koerner File No.: 15-023
 Property Address: 811 65th St Case No.:
 City: West Des Moines State: IA Zip: 50266
 Lender: Great Western Bank



Sketch by Apex Sketch v5 Standard™

Comments:

AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GLA1	First Floor	2112.81	2112.81
GLA2	Second Floor	1155.00	1155.00
GAR	Garage	867.70	867.70

LIVING AREA BREAKDOWN

Breakdown	Subtotals
First Floor	
17.3 x 64.0	1107.20
7.0 x 15.0	105.00
5.0 x 30.0	150.00
4.0 x 15.0	60.00
4.0 x 12.3	49.20
18.7 x 34.3	641.41
Second Floor	
15.0 x 5.0	75.00
27.0 x 40.0	1080.00

Net LIVABLE Area

(rounded)

3268

8 Items

(rounded)

3268



DIMENSION LIST ADDENDUM

Property Address: 811 65th St

State: IA

Case No.:

Zip: 50266

GROSS BUILDING AREA (GBA)		<u>3,268</u>	
GROSS LIVING AREA (GLA)		<u>3,268</u>	
Area(s)	Area	% of GLA	% of GBA
Living	<u>3,268</u>		<u>100.00</u>
Level 1	<u>2,113</u>	<u>64.66</u>	<u>64.66</u>
Level 2	<u>1,155</u>	<u>35.34</u>	<u>35.34</u>
Level 3	<u>0</u>	<u>0.00</u>	<u>0.00</u>
Other	<u>0</u>	<u>0.00</u>	<u>0.00</u>
GBA			
Basement <input type="checkbox"/>	<u>0</u>		<u> </u>
Garage <input type="checkbox"/>	<u>868</u>		<u> </u>
<input type="checkbox"/>	<u> </u>		<u> </u>

[illegible]

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Gary & Gail Koerner	File No.: 15-023
Property Address: 811 65th St	Case No.:
City: West Des Moines	State: IA Zip: 50266
Lender: Great Western Bank	

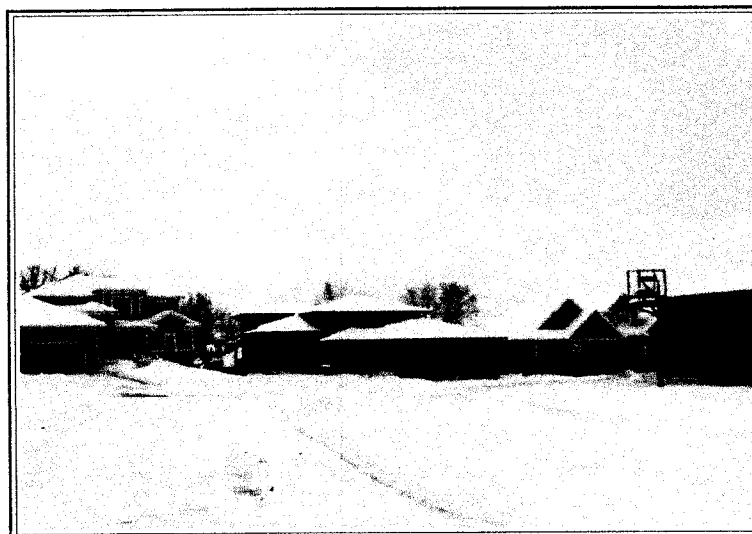


FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: February 3, 2015
Appraised Value: \$ 600,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

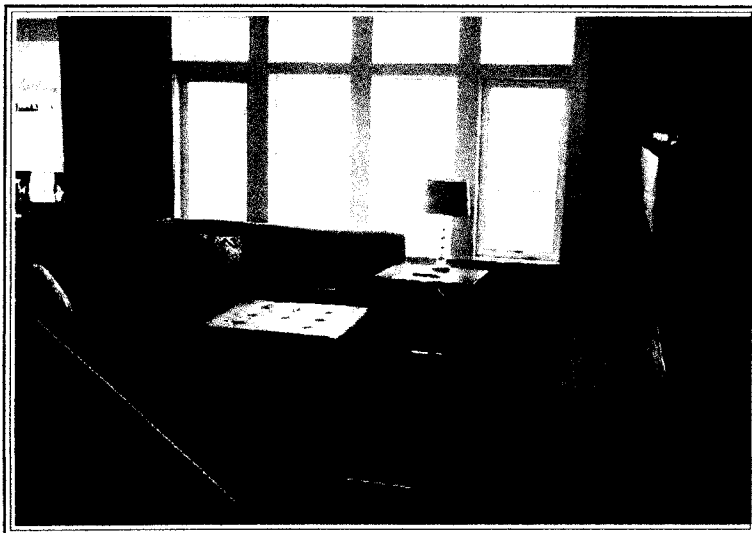
INTERIOR PHOTOS

Borrower: Gary & Gail Koerner		File No.: 15-023
Property Address: 811 65th St		Case No.:
City: West Des Moines	State: IA	Zip: 50266
Lender: Great Western Bank		



Kitchen

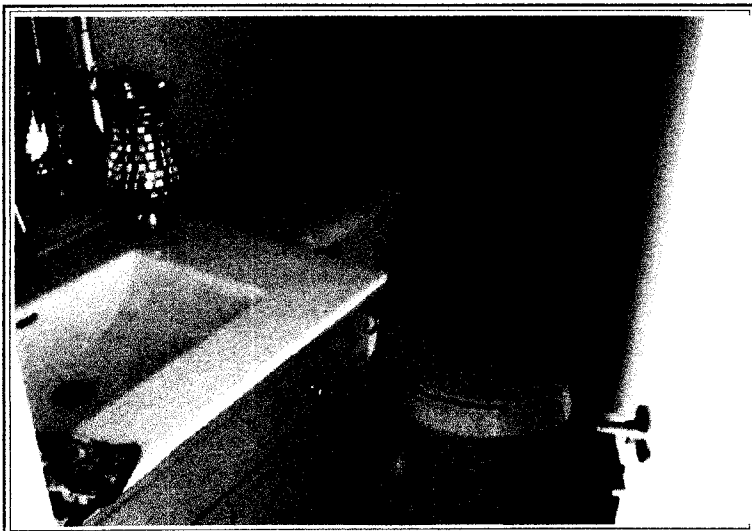
Comment:



Living Area

Description:

Comment:



Bathroom

Description:

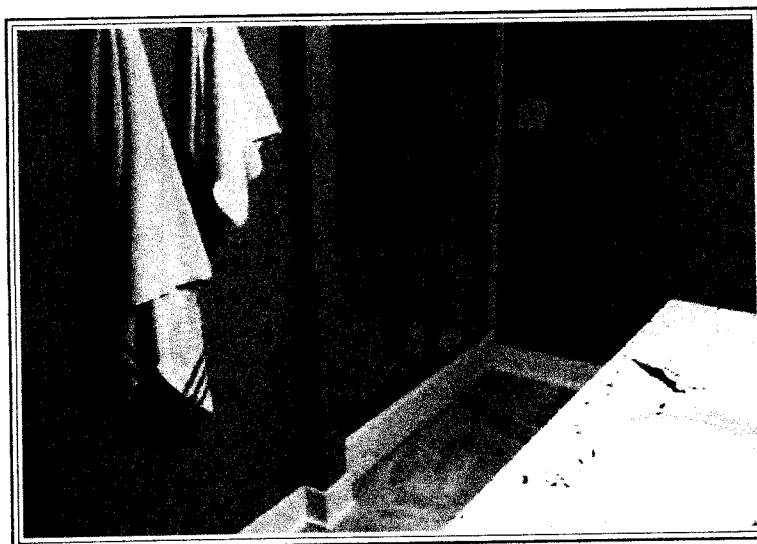
Comment:

BATHROOM PHOTOS

Borrower: Gary & Gail Koerner	File No.: 15-023
Property Address: 811 65th St	Case No.:
City: West Des Moines	State: IA Zip: 50266
Lender: Great Western Bank	



Comment:



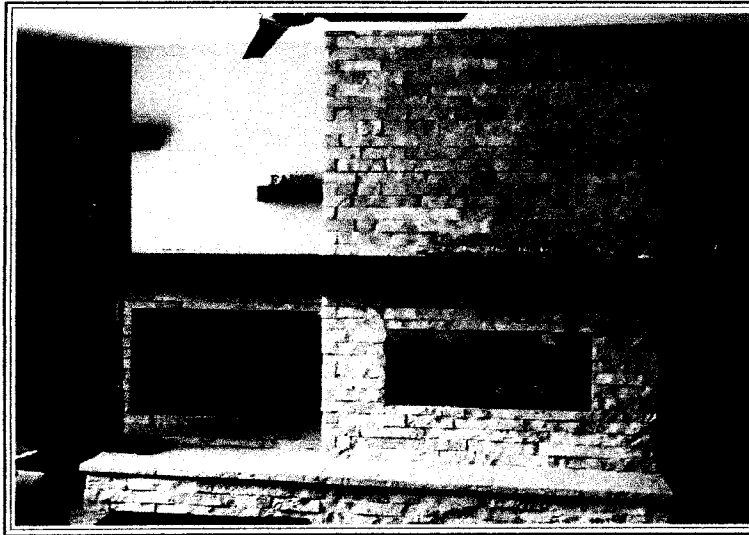
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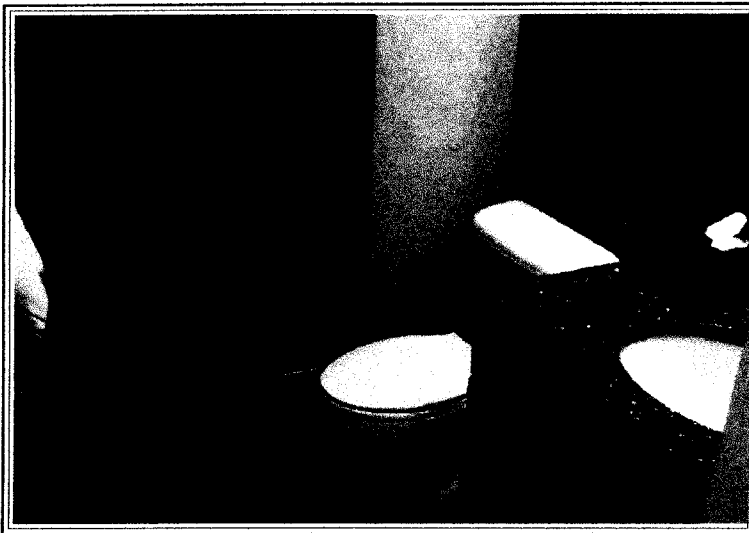
Comment:

INTERIOR PHOTOS

Borrower: Gary & Gail Koerner	File No.: 15-023
Property Address: 811 65th St	Case No.:
City: West Des Moines	State: IA Zip: 50266
Lender: Great Western Bank	



Comment:



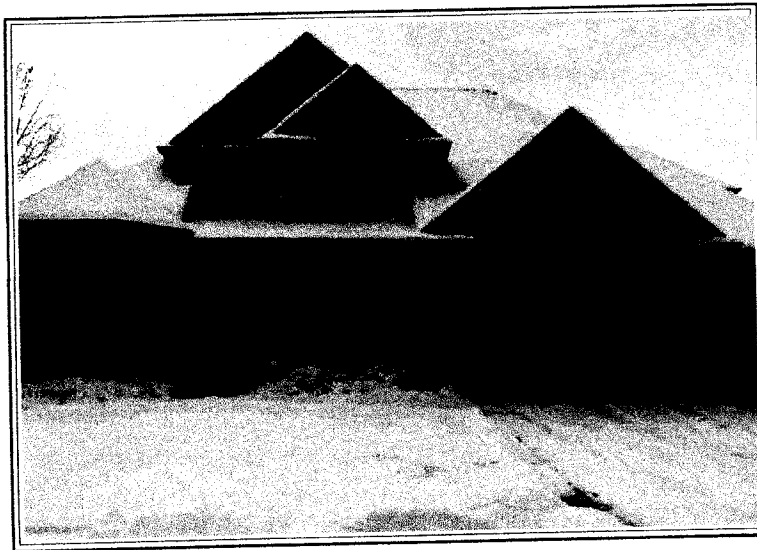
Comment:



Comment:

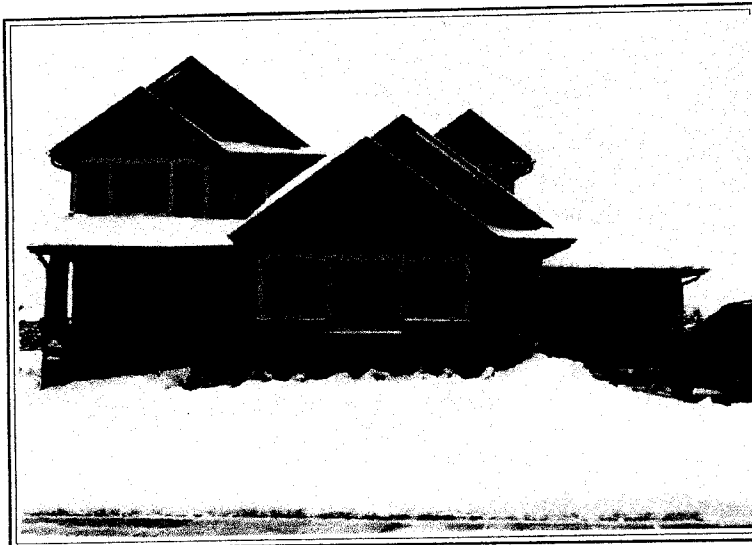
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Gary & Gail Koerner	File No.: 15-023
Property Address: 811 65th St	Case No.:
City: West Des Moines	State: IA Zip: 50266
Lender: Great Western Bank	



COMPARABLE SALE #1

6850 Reed Lane
West Des Moines, IA 50266
Sale Date: s11/14;c09/14
Sale Price: \$ 605,000



COMPARABLE SALE #2

940 66th St
West Des Moines, IA 50266
Sale Date: s07/14;c07/14
Sale Price: \$ 587,000



COMPARABLE SALE #3

935 65th St
West Des Moines, IA 50266
Sale Date: s04/14;c02/14
Sale Price: \$ 545,000



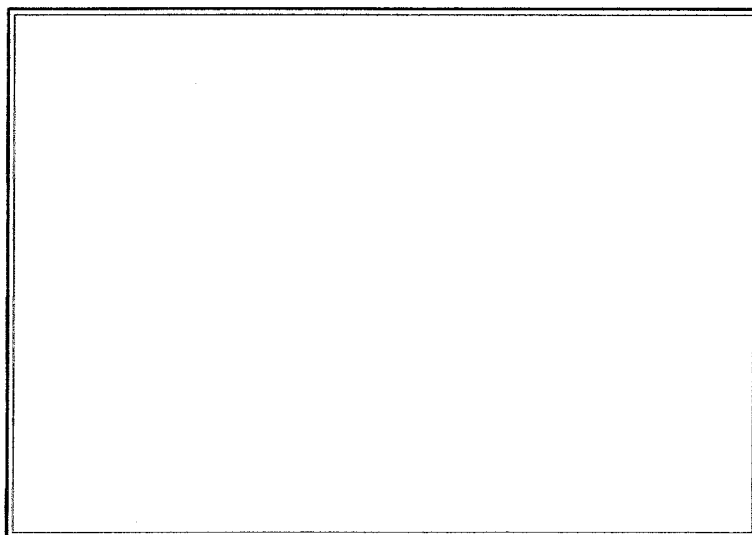
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Gary & Gail Koerner		File No.: 15-023
Property Address: 811 65th St		Case No.:
City: West Des Moines	State: IA	Zip: 50266
Lender: Great Western Bank		



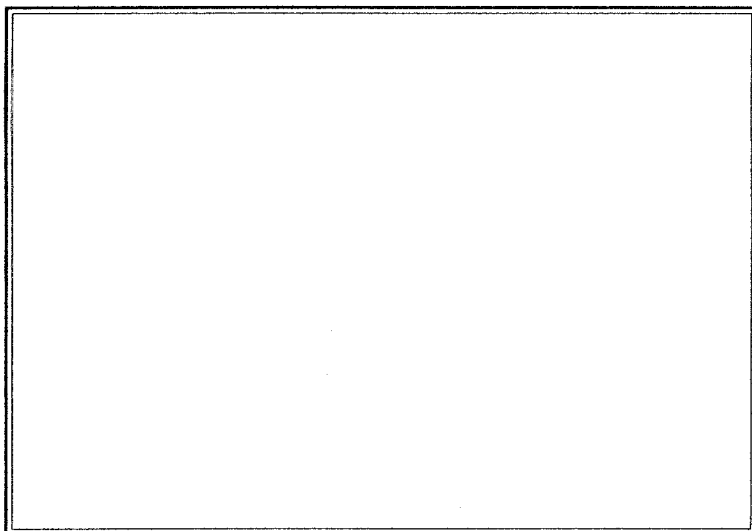
COMPARABLE SALE #4

13932 Lake Pointe Dr
Clive, IA 50325-8303
Sale Date: s06/14;c04/14
Sale Price: \$ 580,000



COMPARABLE SALE #5

Sale Date:
Sale Price: \$



COMPARABLE SALE #6

Sale Date:
Sale Price: \$



LOCATION MAP

Borrower: Gary & Gail Koerner

File No.: 15-023

Property Address: 811 65th St

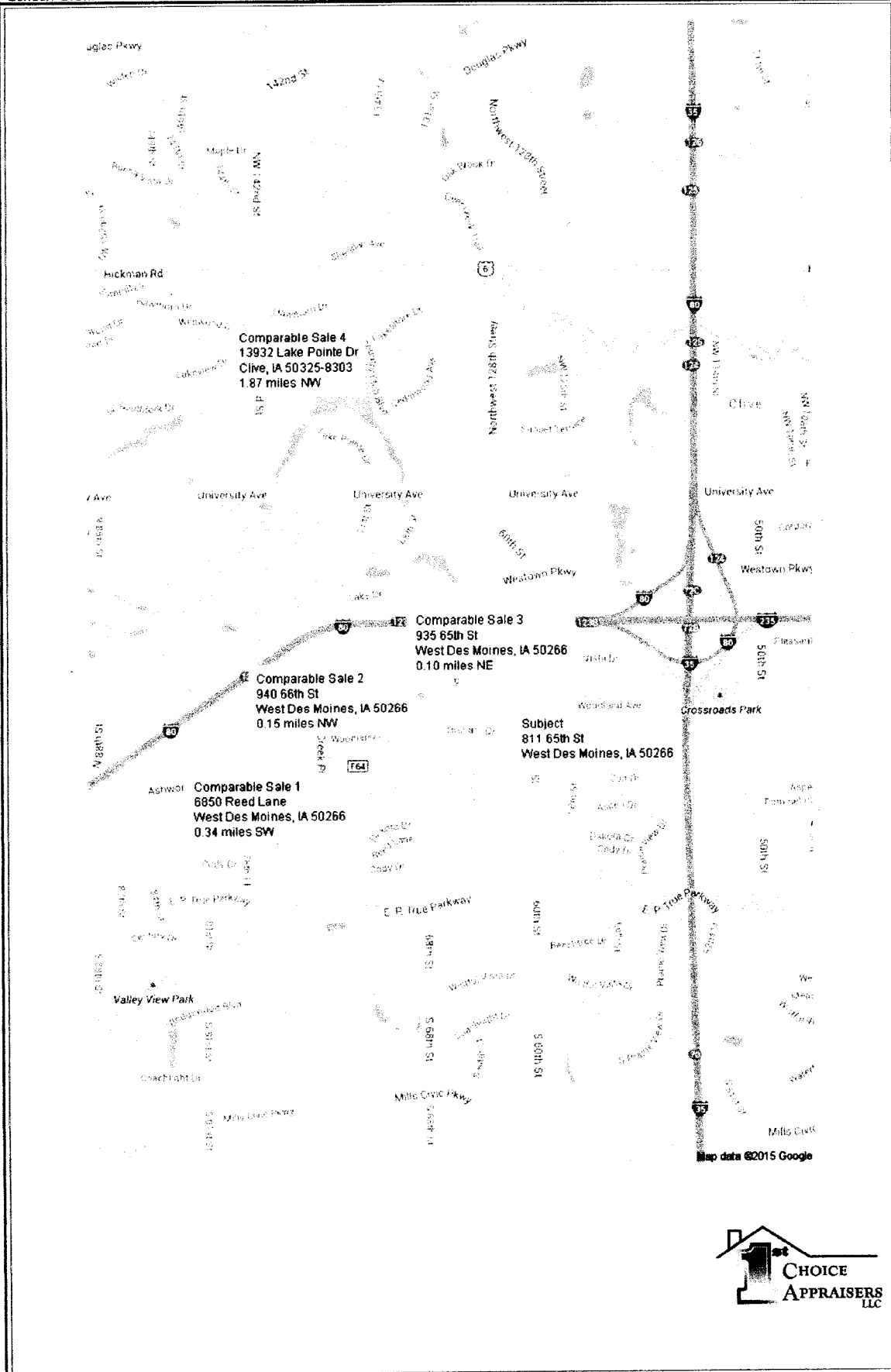
Case No.:

City: West Des Moines

State: IA

Zip: 50266

Lender: Great Western Bank



FLOOD MAP

Borrower: Gary & Gail Koerner

File No.: 15-023

Property Address: 811 65th St

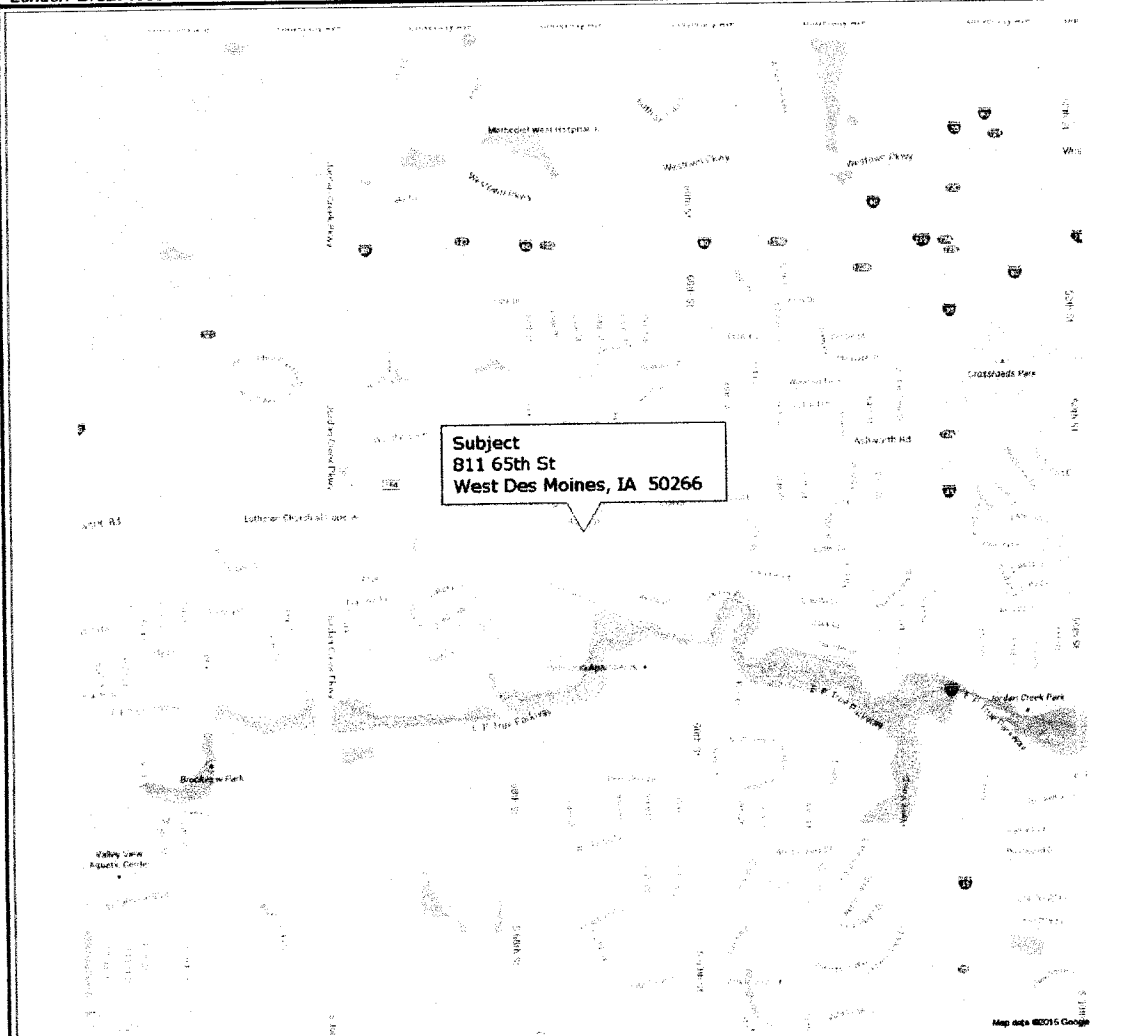
Case No.:

City: West Des Moines

State: IA

Zip: 50266

Lender: Great Western Bank



FLOOD INFORMATION

Community: CITY OF WEST DES MOINES

Property is NOT in a FEMA Special Flood Hazard Area

Map Number: 19121C0100C

Panel: 0100C

Zone: X

Map Date: 10-06-2010

FIPS: 19049

Source: FEMA DFIRM

LEGEND

= FEMA Special Flood Hazard Area - High Risk

= Moderate and Minimal Risk Areas

Road View:

= Forest

= Water

Sky Flood™

This report is intended to provide information to the borrower and lender regarding the flood risk associated with the property. It is not a guarantee of the accuracy of the information provided. The information is based on the best available data at the time of the report. The borrower and lender should consult with a professional engineer or architect for more detailed information regarding the flood risk associated with the property.



Borrower: Gary & Gail Koerner

File No.: 15-023

Property Address: 811 65th St

Case No.:

City: West Des Moines

State: IA

Zip: 50266

Lender: Great Western Bank



STATE OF IOWA

IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A CERTIFICATE AS A
RESIDENTIAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CR02369 EXPIRES: 6/30/2016

HOUT, KYLE
FIRST CHOICE APPRAISERS, LLC
334 JULIANA COURT
POLK CITY, IA 50226

